



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/625,017	07/25/2000	David LeVine	JMBDP002	7171

24271 7590 11/22/2004

JOHN ALEXANDER GALBREATH  
2516 CHESTNUT WOODS CT  
REISTERSTOWN, MD 21136

EXAMINER
----------

HAYES, JOHN W

ART UNIT	PAPER NUMBER
----------	--------------

3621

DATE MAILED: 11/22/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/625,017

Applicant(s)

LEVINE, DAVID

S

Examiner

John W Hayes

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

### A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 06 October 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-15 and 20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-15 and 20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some \* c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 06 October 2004 has been entered.

### ***Status of Claims***

2. Applicant has amended claims 1 and 20 in the amendment filed 06 October 2004. Claims 16-19 were previously canceled. Thus, claims 1-15 and 20 remain pending and are again presented for examination.

### ***Response to Arguments***

3. Applicant's arguments with respect to claims 1-15 and 20 have been considered but are moot in view of the new ground(s) of rejection.

### ***Priority***

4. Receipt is acknowledged of papers submitted under 35 U.S.C. 119(a)-(d), which papers have been placed of record in the file.

### ***Drawings***

5. The corrected or substitute drawings were received on 06 May 2003. These drawings are approved by the examiner.

Art Unit: 3621

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-12, 15 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fleming, III, U.S. Patent No. 6,230,204 B1 in view of Shear, U.S. Patent No. 5,410,598.

As per **Claims 1-6 and 20**, Fleming, III discloses a business method for quantifying royalty owner rights, the method including a computerized system performing the substantially asynchronous transactional steps of:

- maintaining a registry of a plurality of users (Figure 10; Col. 3, lines 55-63; Col. 4, lines 37-40; Col. 6, lines 52-65);
- providing materials including audio and visual contents and computer software to users by downloading via a distributed data-communications topology (Figure 1; Col. 2, lines 32-46; Col. 3, lines 57-65; Col. 4, lines 23-45 and 52-61; Col. 5, lines 20-35);
- maintaining a database of materials provided by the system to users of the plurality of users (Figure 10);
- using a substantially packet-based protocol over a distributed data communications topology, communicating with a user of the plurality of users (Figures 1-2);
- from the user, accepting a report of the users prior use of materials provided by the system, the report being a sample of the prior use by the plurality of users (Col. 3 line 57-Col. 4 line 4; Col. 5, lines 53-59; Col. 6, lines 1-5; Col. 7, lines 45-50; Col. 9, lines 30-35 and 57-61);
- from data in the report, convoluting an updated metric of use into respective materials records in the database (Figure 10; Col. 12 line 28-Col. 13 line 10); and

Fleming, III, however, fails to specifically disclose wherein the plurality of users pay subscription fees to the maintainer of a database unrelated to the usage of a specific material and computing a

Art Unit: 3621

quantification of royalty owner rights for at least one of the respective materials, said quantification serving to divide the subscription fees of the plurality of users based on the updated metric

Shear discloses a database usage metering system and further teaches that one way in which to recover the costs of constructing and maintaining a database is to charge a flat subscription or access fee to each user subscribing to use the database (Col. 3, lines 16-29) which is unrelated to the usage of a specific material. Shear also discloses that many database owners, instead, charge a nominal subscription fee, and then periodically charge users a fee calculated in accordance with the amount the user has used in the database (Col. 3, lines 25-30). Shear further discloses apportioning payments by the user to the respective property owners according to actual use of their respective properties (Col. 6, lines 50-60; Figure 6, 914). Shear discloses that this method allows the payments by the user to be fairly apportioned to the property owners according to their use of the materials. For example, if a user licenses or pays a fee for a storage medium storing a library of hundreds of different literary properties and then uses only two properties in the library, the owners of those two properties can be paid substantially all of the licensing fees charged to the user (Col. 6, lines 50-60). Shear discloses that the user may be billed an annual fee for some materials and billed on a "pay as you go" basis for other materials (Col. 16, lines 40-55). Thus, Shear discloses both a model of either charging a flat subscription rate for access to database materials, charging the user based on actual usage, or even a combination of both; and further discloses apportioning the collected fees to the respective property owners based on the users usage of the materials. Fleming discloses an alternative method for tracking the usage of materials based upon sampling techniques as discussed above. Thus examiner submits that applying a pricing model of charging a flat rate subscription fee to the users followed by apportioning these collected fees to the property owners based on usage determined by sampling techniques would have been obvious to one having ordinary skill in the art based on the teachings of Shear and Fleming. Shear discloses that charging a flat rate subscription fee exclusively is not the optimum method of charging users since this would cause a condition wherein infrequent users of the database may be discouraged from subscribing, because they would be asked to pay the same cost a frequent user pays, however, one skilled in the art would recognize that many different pricing models or strategies would exist given the teachings of Shear, even if they may not be optimum. As discussed above, Shear does disclose that a user may be charged

Art Unit: 3621

a fee for a storage medium storing a library containing hundreds of different literary properties and then uses only two properties in the library based on the accumulation of usage data. Shear suggests that this would be beneficial since the owners of those two properties can be paid substantially all of the licensing fees charged to the user (Col. 6, lines 50-60), thereby more effectively apportioning the collected fees.

As per **Claim 7**, Fleming fails to explicitly disclose accepting a request for downloading a plurality of substantially new materials. However, Fleming does disclose that the materials are accessed on the World Wide Web (Col. 4, lines 25-35) and examiner takes Official Notice that requesting new information to be downloaded by the user is well known in the art. Thus, it would have been obvious to one having ordinary skill in the art, in view of the teachings of Fleming, to allow the user to request a download of new materials when the user wants to view or access additional documents or information as they desire.

As per **Claim 8**, Fleming further disclose wherein accepting a report of the users prior use includes an accounting of use since a most recent prior accepting from the user of a report of the users prior use (Col. 9, lines 50-55).

As per **Claim 9**, Fleming further discloses wherein accepting a report of the user's prior use includes an accounting of cumulative use, substantially since becoming a user (Col. 9, lines 50-55).

As per **Claim 10**, Fleming further disclose accepting a report of the users prior use including an accounting of the users recent use during a predetermined period of time (Col. 9, lines 50-55).

As per **Claim 11**, Fleming further discloses wherein maintaining a registry includes a respective profile for each user of a preponderance of the users in the registry (Col. 6 line 52-Col. 7 line 10).

As per **Claim 12**, Fleming further disclose wherein convoluting includes correlating the updated metric with the respective user profile (Figures 9-10).

Art Unit: 3621

As per **Claim 15**, Fleming further discloses wherein apportioning is extrapolated to represent use by the entire plurality of users (Figure 10 and associated text).

8. Claims 13-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fleming, III, U.S. Patent No. 6,230,204 B1 and Shear, U.S. Patent No. 5,410,598 as applied above and further in view of Logan et al, U.S. Patent No. 6,199,076 B1.

As per **Claims 13-14**, Fleming and Shear fail to disclose wherein the computing includes a predetermined contractual based apportioning of royalty owner rights for reported use of respective materials by the user. Logan et al disclose a predetermined contractual based apportioning of royalty owner rights for reported used of respective materials by the user (Col. 21, lines 27-60 and Col. 28, lines 24-55). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Fleming and Shear and compute the royalty owner rights based on contractual based apportioning as taught by Logan et al in order to compensate the royalty owners based upon predetermined contracts.

### **Conclusion**

9. **Examiner's Note:** Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

10. The prior art previously made of record and not relied upon is considered pertinent to applicant's disclosure.

- Leinonen [WO 98/06047] disclose a system for computing fees for use of intellectual property

Art Unit: 3621

- Delicostopoulou, Andromachi, "Private Copying in Greece" discloses gathering royalty payments and dividing these among creators and publishers
- Gennusa, Chris R., "BMI Is Here to Stay", discloses that accounting firms typically determine royalties based upon annual samples of U.S. commercial radio-station broadcasts
- Barritz [5,499,340] discloses a method for computer program usage monitoring and teach a method for accumulating information regarding utilization of various products and versions, and to determine usage patterns by monitoring usage during sampling periods
- Sohraby et al disclose a resource usage measurement system and teach measuring during a sampling interval and these actual measurements are extrapolated to estimate the usage over the larger sampling interval
- Rossides discloses a system for estimating royalties due to a person based upon historical information
- Archibald et al disclose a method that accounts for usage of digital applications and teach the use of a meter module to generate accounting information related to usage of content and routing this accounting information to a collection agency which credits the publishers
- INDATA [WO 90/02382] discloses an information distribution system and charges the user only for selected information provided. Use fees are accumulated by the user only for information that has been received and the user transmits the accumulated use fees to a central accounting office so that payments can be made to the creators of the content
- Ginter et al disclose transmitting usage reports from the user to a billing entity/clearinghouse and handling of payments of royalties to the content creators
- Dillon discloses an electronic document distribution system including a deferred billing mechanism
- Reeder discloses a usage monitor for monitoring usage of software and communicating the usage information to a central billing station
- Kazmierczak et al disclose a system wherein data usage is metered locally and recorded as a stored data usage record and is later reported by modem to an operations center
- Coffey et al disclose a computer use meter and analyzer for measuring and reporting the use of a computer



Art Unit: 3621

- Wolfe et al disclose a system for delivering music and ads to subscribers, determines frequency of play/use and bills advertisers and provides royalties to content providers
- Taub et al disclose a system for downloading content to schools wherein the school's main computer tracks usage and occasionally reports the usage for payments of royalty.

Art Unit: 3621

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **(703) 305-3900**. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Please address mail to be delivered by the United States Postal Service (USPS) as follows:

***Commissioner of Patents and Trademarks***

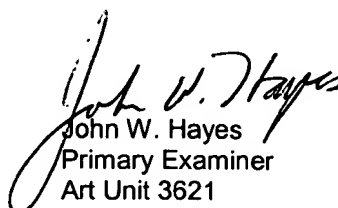
***Washington, D.C. 20231***

or faxed to:

**(703) 872-9306** [Official communications; including  
After Final communications labeled  
"Box AF"]

**(703) 746-5531** [Informal/Draft communications, labeled  
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington,  
VA, 7<sup>th</sup> floor receptionist.

  
John W. Hayes  
Primary Examiner  
Art Unit 3621

November 19, 2004